

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

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In re : **Chapter 11**
SEARS HOLDINGS CORPORATION, et al., **Case No. 18-23538 (RDD)**
Debtors. **(Jointly Administered)**
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**KOOLATRON CORPORATION'S OBJECTION TO NOTICE REGARDING SECOND
DISTRIBUTION PURSUANT TO ADMINISTRATIVE EXPENSE CLAIMS
CONSENT PROGRAM**

TO THE HONORABLE ROBERT D. DRAIN,
UNITED STATES BANKRUPTCY JUDGE:

Koolatron Corporation¹ ("Koolatron") hereby states the following as its Objection to Notice Regarding Second Distribution Pursuant to Administrative Expense Claims Consent Program ("Notice of Second Distribution"):

1. Koolatron filed its proofs of claim against certain Debtors in the total amount of \$1,023,874.88 of which \$756,245.02 is entitled to administrative expense priority pursuant to 11 U.S.C. § 503(b)(9). [Claim Nos. 13934, 5372, 5381, 5398, 5401].

2. On November 16, 2019, Koolatron filed its ballots and affirmatively opted-in to the Administrative Expense Claims Consent Program. [E-Ballots last four numbers ending 4685, 4686, 9824, 0394].

3. On February 18, 2020, Debtors filed their Thirteenth Omnibus Objection to Proofs of Claim (Reclassify or Disallow Claims)("Objection"). [Doc. No. 7302].

4. The Objection falsely states that Koolatron was a Marketplace Vendor that drop shipped goods directly to third-parties, and accordingly, Koolatron's Section 503(b)(9) claims should be reclassified as a general unsecured claim.

¹ Koolatron Corporation is an Affiliate of Kyko Global, Inc.

5. On March 9, 2020, Koolatron filed its Response in Opposition to Debtors' Objection. [Doc. No. 7408].

6. Debtors have repeatedly adjourned the hearing regarding their Objection. Debtors' Objection is currently scheduled to be heard on July 15, 2020. Accordingly, Koolatron's administrative expense claims have not yet been settled or allowed.

7. On June 26, 2020, Debtors filed the Notice of Second Distribution. [Doc. No. 8062]. Debtors intend to commence a second distribution on or about July 31, 2020.

8. The Notice of Second Distribution states in pertinent part:

Exhibit D hereto lists the Administrative Expense Claims (i) that have not been settled or allowed under the Administrative Expense Claims Consent Program or (ii) whose holders are recipients of potentially avoidable transfers (collectively, the "**Non Opt-Out Disputed Claims**") and the amount of cash that will be reserved for such claims which represents a *pro rata* share of the Second Distribution.

9. Exhibit D fails to list Koolatron.

10. Pursuant to the terms of the Administrative Expense Claims Consent Program as set forth in this Court's Confirmation Order, and consistent with treatment provided to similarly situated creditors in the Notice of Second Distribution, Debtors are required to reserve cash in an amount sufficient to pay Koolatron its *pro rata* share of the Second Distribution.

WHEREFORE, pursuant to 11 U.S.C. § 105 and the terms of the Administrative Expense Claims Consent Program as set forth in this Court's Confirmation Order, this Court should order Debtors to reserve cash in an amount sufficient to pay Koolatron its *pro rata* share of the Second Distribution and enjoin Debtors from making any distributions under the Notice of Second Distribution until said amounts have been reserved.

Respectfully submitted,

/s/ Jayson M. Macyda
(admitted *pro hac vice* for Koolatron Corporation)
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